LABOUR MONTHLY

EDITOR R. PALME DUTT

NOTES OF THE MONTH
R.P.D.

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Ivor Montagu

THE LABOUR PARTY CONFERENCE
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Emile Burns

BOOK REVIEWS

THE LAIR OF THE BEAST

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DECEMBER 1944

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NOTES OF THE MONTH

Next Year's Election—Politics and War—Lessons of American Elections—European Governments—A Crucial Transition—Britain's Key Role—Task of the Coming Election—A Wartime Election—Labour Party Conference—Facing the Facts—Division Means Defeat—Swing to the Left—Responsibility of Political Leadership—Alignment of Public Opinion—Inescapable Conclusion—Support for Labour and Progressive Unity—Unity of the Labour Movement—Lesson of France—A Victory for Common Sense—Preparedness Now.

WHAT is the prospect of next year's general election? This question is now of urgent practical importance, with the approach of the Labour Party Conference, and following the Prime Minister's statement on the probable date of the election. The Prime Minister's statement has made clear that the election will follow victory in Europe, that it is likely to come in the late summer or early autumn of next year, and that it will be contested on party lines. Are we prepared, is the labour movement and progressive opinion prepared, are the popular organisasions prepared for the opportunities, the problems, the dangers and the responsibilities of this coming election, which will determine the immediate post-war future? This issue will inevitably dominate all other questions before the Labour Party Conference, whatever the formal ruling as to what subjects may or may not be permitted for the agenda. This issue must now be frankly faced.

AS the war draws towards its final stage, the political issues which are inseparably bound up with the struggle against fascism, and with the organisation of victory and future peace, inevitably come more and more to the forefront. For the completion of victory, for the destruction of fascism in Germany and in Europe, for the organisation of world peace and international co-operation, and for democratic advance in the urgent tasks of reconstruction at home, it becomes of decisive importance what governments are in power in the various countries, and how far they are based on stable democratic progressive majorities and purged of reactionary pro-fascist influences. Whether we look to the American continent, the role of China and India in the Far East, the liberated European countries, or Britain, this question, in varying forms and aspects according to the particular conditions, becomes the key question for the future. Nowhere is the importance of this question greater than in the case of Britain.

THE recent American elections have shown a signal victory of a broad progressive alliance, with the open and active participation of the labour movement and the Communists, against a serried array of reactionary big business monopolist interests, the Mellons, Duponts, Rockefellers, etc., supporting Dewey. All political commentators have singled out as the cardinal new feature of the election the vigorous and influential role of the organised labour movement, through the Political Action Committee. *The Times* correspondent noted:—

> What emerges above all else in this victory is the tremendous part played by labour in great cities and in towns which have become hives of war industry. (*Times*, November 9, 1944.)

On the reverse side the same correspondent notes the role of the captains of industry—Republican almost to a man,

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This does not mean that there was not a division within the ranks of big business, or that there were not important progressive big business interests supporting Roosevelt. But the general line-up was unmistakable. All the reactionary isolationist pro-fascist big business interests supported Dewey. In vain the Republicans sought to turn the "Red scare" against their opponents, and to brand the Political Action Committee as "a Communist-controlled organisation" and Roosevelt as "sold to Browder," because of the free participation of the Communists in the progressive alliance. The attack turned out a boomerang. Roosevelt and the Political Action Committee stood up to the attack, did not run away from it—and won. The lesson that progressive unity is stronger than the slanders of reaction has its bearing here. Although the difference in conditions rules out any direct parallels, the principles revealed in the American elections carry important and encouraging lessons for our problems.

IN liberated Europe the birth-pangs of the new progressive democratic governments have to take place, not only amidst the ruin and devastation left by Nazi occupation, but in tenacious and protracted struggle against the entrenched reactionary propertied interests which collaborated with Nazism, profited by the betral of their country, held all the key points in the old State machine and utilised them for collaboration, and now seek to carry forward their domination and the same corrupt state machinery into the era of liberation, against the people, for the disarming of the national resistance movements, and for the victory of the old cartellised pro-fascist monopoly interests, the partners of German capital. This crisis has been sharply revealed in France and in Belgium.

IN this crucial phase of transition, the interests of national liberation and revival in these countries, as well as of the speediest defeat of Nazi Germany, demand the clearing out of the traitors and collaborators, the establishment of the most broadly representative democratic Governments and effective democratic machinery and organisation, responsive to the people and their needs, and on this basis the mobilisation of the full strength of the country to combat the economic crisis, to collaborate with the allied armies for the final defeat of Nazi Germany, and to carry forward the tasks of reconstruction and peaceful progressive development of a Europe cleansed of fascism. These are the essential demands and programmes of the national resistance movements, representing all the living forces of the nation which have fought the common enemy. Their fulfilment is a vital interest of the United Nations and of the allied armies. One of the difficulties of the problem, however, lies in the fact that these strongly entrenched reactionary and ex-collaborationist interests and their friends and supporters are able to count on the assistance of similar elements in influential positions in this country and the United States, or else to play upon the tendencies to political indifference and neutrality towards fascism still widely current among the upper professional military circles of the Anglo-American command. This situation is of urgent concern to democratic opinion in this country and the United States, which can play an important part in assisting a solution.

THIS developing world political situation in the culminating stages of the war, no less than the gathering domestic issues in Britain, bring to the forefront the key question of future political development in Britain, the co-partner of the Soviet Union and the Uinited States

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for the future settlement of the world. Following the American presidential and congressional elections, the stability of governing policy and direction, not only in the Soviet Union, but also in the United States, is now assured for the coming crucial years. In Britain there is not yet the same stability and certainty for the future period. The composition of the now nearly ten-years-old Parliament does not correspond to the outlook of the people or the needs of the era which has opened. Yet the composition of the Government is inevitably based on the composition of Parliament. This is the crucial problem which requires to be settled by the coming election.

HERE we are still saddled with an obsolete reactionary majority in Parliament, which derives its mandate from the dim and far-off days of the discredited leadership of a Baldwin, which was already growing old when it applauded Munich, and which to the last voted its confidence in Chamberlain even when Churchill came to power by the overwhelming pressure of public opinion overruling Parliament. Recent domestic issues have shown how this obsolete reactionary majority is able to weaken and sabotage and amputate even the limited progressive measures proposed by the present Government. The coming election represents the opportunity and the imperative obligation to change this position. It represents the opportunity to carry through a purge, in suitable constitutional peaceful British forms, of these reactionary forces from political life. The present outworn Parliament must be renewed and brought into closer correspondence to the outlook of the people today. On this basis a Government must be established which will be adequate to the urgent needs of the post-war era. This is the task of the coming election. Are we prepared, are the progressive parties and organisations lined-up and prepared, to be certain of accomplishing this task?

UNDOUBTEDLY the conditions of the coming election will not be comparable to normal peacetime conditions. Before the election can be held, the final decisive battles against Germany have still to be fought, with the full unity of the nation backing the Government. Victory over Germany will need to be followed by all the necessary measures, no less requiring the united support of all parties, for the completion of victory, for the economic, political and military disarmament of Germany, for the destruction of every foundation of fascism in Germany and in Europe, and for a settlement which will hold firm the alliance of the United Nations and lay the basis for world peace. A common effort will be no less necessary for the completion of the war against Japanese aggression. The election will thus take place in modified war conditions. But this does not mean that the issues which will have to be contested and decided by the election will be of secondary importance. On the contrary, they will be greater and more far-reaching in scope than in any peacetime election. The present decisions of the labour movement and of the progressive parties, which will in fact determine the outcome of the election, will be determining the character of the Government and of the policy to be followed in the most critical period of modern British and world development.

THE Labour Party Conference will have before it a series of resolutions centred around five main subjects of vital importance for post-war policy: the international post-war settlement; social security; full employment; economic controls and public ownership; and housing. On all these issues the Labour Party

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Executive has put out statements of policy which in their main outlines will command very wide acceptance both in the labour movement and from progressive opinion generally. The immediate short-term proposals of the Labour Party for post-war reconstruction are along lines broadly similar to those already adopted by the Trades Union Congress and by the Communist Party Congress in October. There is thus every basis for a common programme commanding united support. There are no major difficulties in the sphere of policy. But the agenda of the Labour Party Conference, as at present planned, does not deal with the most important issue governing all the rest, to which the Communist Congress gave special attention: How are these aims to be achieved? How is such united support to be mobilised for these proposals as will ensure a majority for them at the coming election? Unless this question is faced and satisfactorily and successfully answered, the finest policy statements will remain on paper.

WHAT is the present position? Nothing is to be gained by hiding our heads in the sand or burking harsh facts. There is no co-ordination at present; and under the existing electoral system the lack of such co-ordination is holding out the prospect of a very unsatisfactory and unrepresentative election outcome. The Labour Party Executive has announced that they intend to fight the election independently of all other parties, and are preparing to put as many candidates as possible in the field, probably about 500. The Liberal Party has announced that they intend to fight the election independently of all other parties, and have spoken of plans to put 300 candidates in the field. The Communist Party has announced 52 candidates, and has at the same time urged that an electoral agreement should be reached of all labour and progressive organisations with a view to securing a combined effort and preventing conflicting candidatures. The Common Wealth Party has announced the intention to put a number of candidates forward, at one time spoken of as 60, and has also urged labour and progressive unity, and recently passed a resolution in favour of affiliation to the Labour Party. There is also the prospect of a number of independent candidatures and other groupings. Where is this situation likely to lead? It is obvious to any one with an atom of commonsense in his head that it may lead to a most unholy mess in the election, if something is not done about it quickly.

IN the last election in 1935 the Conservative Party obtained 10,498,310 votes, or a minority of the total 22,001,837 votes cast. But they obtained 387 seats, or nearly two-thirds of the representation in Parliament. The Tory-National combination, consisting of the Tories acting in alliance with three smaller groupings (National Liberal, National Labour and National), obtained 11.7 million votes, or a bare majority amounting to 53.6 per cent. of the votes cast. But they obtained 431 seats, or 70 per cent. of the representation. The Opposition obtained 10.2 million votes, or 46.4 per cent. of the votes cast. But they won only 184 seats, or 30 per cent. of the representation. Why this difference? It is, of course, familiar ground that the fundamental cause lies in the unrepresentative electoral system, and it is small wonder that the Tory Party managers cling to this unrepresentative electoral system, though more surprising that the Labour Party managers help them. But since the next election will be held under the same electoral system, this point is for the moment irrelevant and academic. The practical point is that this electoral system, in the absence of an

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absolute majority of a single party, compels the tactics of coalition or alliance as the condition of success. The Tories have understood this, and ever since 1931 have continuously pursued the tactics of one form or another of coalition, of associating allies, however weak, with themselves, and on this basis have won their victories. The Labour Party has continuously refused all allies, pursued the tactics of isolation and lost. Why should this system of division and defeat be repeated indefinitely for the benefit of Toryism?

SINCE then there has taken place a marked swing to the left. There has been a heavy discrediting of the old reactionary Tory policies. The influence of the war, the uprooting of old conditions, the changes through war organisation, the common democratic aims of the struggle against fascism, the example of the Soviet Union and its achievement, the demonstrations of unity abroad, the questioning of the old society and demand for new conditions, have stirred the thought and outlook of millions alike in the armed services and among the civilians in war industry and civil defence. All political observers are agreed that this flow has moved to the left, in the direction of labour and progressive conceptions. But this flow has moved in many streams and channels: to Labour, to Communism, to Common Wealth, to radical liberalism, or to general progressive aspirations without yet definite party alignment or even with a certain impatience of existing party divisions. Not even the most fervent partisan would dare to pretend that it has flowed to a single orthodoxy. Political observers are widely agreed that there is a potential majority in the electorate for a broad constructive and progressive programme on the left, provided there is a united appeal; but that, failing such a united appeal, labour and progressive division may lead to a renewed Tory victory. This is the practical problem of the coming election.

IN a speech at Birmingham in May of this year Mr. Attlee, discussing the political situation and the signs of new tendencies in public opinion and popular feeling, said:—

> The great swing to the left among the workers, the fighters, and many who had formerly refused to consider the party's views, had been due largely to the fact that such Labour men as Morrison, Bevin, Johnston, Alexander and Dalton had taken on difficult jobs, carried them through and not been afraid to brave criticism by doing unpopular things.

The view that the "great swing to the left" is primarily due to the merits of Labour Ministers may be perhaps a trifle narrow, and a little blind to deeper historical causes which are producing this swing to the left in all countries of the world, even in countries where the benighted populations may be regrettably ignorant of the exertions of Mr. Alexander and Mr. Dalton. This is, however, of minor importance; and no one would be so churlish as to wish to grudge Mr. Attlee his self-congratulation on the measure of positive achievement of the Labour Ministers in the War Government. The point of practical importance is that Mr. Attlee recognises the existence of this "great swing to the left"—which carries with it corresponding responsibility for all leaders of the left. The question which Mr. Attlee did not deal with is how this "great swing to the left" is to find effective expression in the election, if the parties and organisations which appeal to it are divided among themselves. It would be a political crime if the majority wish of the electorate for advance by the left were to be baulked of majority representation and frustrated, because the parties and organisations of the left were unable to reach agreement.

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NEWSPAPER polls, however "scientific" they may claim to be in their methods of measurement, are necessarily of limited value as a guide in assessing public opinion, and need to be treated with caution. Where, however, their results coincide in certain broad lines, those results are worthy of attention, especially if they conflict with the politics of the newspaper concerned (as in the case of the *Daily Express* polls revealing majorities for nationalisation). In this connection interest attaches to the polls which have been taken to endeavour to measure the support for different parties (among civilian electors) in a future general election. Such polls have been published by the *News-Chronicle* in June, 1943, and by the *Daily Express* in July, 1943, and February, 1944. The results show the following picture (percentage figures):—

	News-Chronicle	*Daily Express*	
	June, 1943.	July, 1943.	February, 1944.
Conservative..	25	36.94	37.67
Liberal	9	6.58	12.20
Labour	38	33.93	28.67
Communist ..	3	4.21	5.42
Common Wealth	2	3.59	8.20
Independent, etc.	9	4.93	1.80
No opinion ..	14	9.82	6.04

WHAT conclusions can be drawn from these estimates? It will be noted that the *Daily Express* polls are more favourable to Conservatism, and the *News-Chronicle* is more favourable to Labour. Allowance has to be made for the dates; and the two *Express* polls reveal a shift in opinion on the left, with an increase for Liberalism, Common Wealth and Communism, and a decrease for Labour. Further changes may well have taken place since these polls. But one broad conclusion is common to all these polls, whatever their other differences. All alike show that a Labour and Progressive Alliance, that is, an alliance of the Labour Party, the Communist Party, the Liberal Party and Common Wealth, would be virtually certain to win the victory at a general election. In the case of the *News-Chronicle* poll for June, 1943, the Labour and Progressive Alliance would represent 52 per cent., or an absolute majority, apart from what it would win from the undecided 14 per cent. In the case of the *Express* poll for July, 1943, it would represent 48.3 per cent., or sufficient in practice, with additions from the undecided 10 per cent., to be sure of a majority. In the case of the most recent of these polls, that of the *Express* for February of this year, it would represent 54.5 per cent., or a still more decisive absolute majority. On the other hand, in the event of all parties contesting independently, the main advantage would go to Toryism, which would be likely to win the majority, since a considerable proportion of anti-Tory votes would cancel each other out. The lesson of these figures is unmistakable.

THERE is no question of the wide support in the membership of the labour movement, and in all quarters of progressive opinion, for such a policy of electoral unity. The resolution of the Amalgamated Engineering Union Executive last March urging the Labour Party Executive to convene a conference in order to ensure a common policy of the working-class movement in relation to the election was an expression of this concern. Since then resolutions in favour of electoral unity have been passed by many important Trade Unions, including the Locomotive Engineers, South Wales Miners, Scottish Miners, Distributive and Allied Workers, Shop Assistants, Electrical Trades Union, Engineering and Shipbuilding Draughtsmen, Fire Brigades Union, National Society of Painters, and the Building Trades Workers, as well as

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43 Trades Councils and hundreds of Trade Union branches and district committees.

IT is significant, as an example of the feeling at any representative working-class gathering where the issue is presented and discussed, that the Conference of the Amalgamated Union of Building Trades Workers in September, after hearing Mr. Greenwood put the official case against electoral unity, unanimously passed a resolution for Labour and progressive unity at the next election and urging the convening of a conference of all progressive organisations to discuss a common electoral policy. No less striking has been the response to the District Delegate Conferences for unity, convened by the Communist Party, notably that recently held in Scotland, which gathered 929 accredited delegates of Scottish labour organisations, including 176 from Co-operative and 672 from Trade Union organisations. This issue, whether or not it comes directly on the agenda, will inevitably overshadow the proceedings of the Labour Party Conference, and it is of vital importance that the Executive should be urged to explore the ground with a view to achieving such an electoral agreement in the short time still remaining before the election.

THE key to success of such an alliance lies in the unity of the labour movement. Given unity of the labour movement, it will not be difficult to rally other sections of progressive opinion to the common front. Many of the fears that are sometimes expressed with regard to the aim of co-operation with progressive groupings and organisations beyond the labour movement, which do not at present share the socialist aims of the labour movement, arise, first, from the failure to recognise that a common immediate programme could be and would be worked out expressing the immediate tasks of the future Government on which there is already every basis for reaching practical agreement, and second, from the failure to recognise the overwhelming weight which a united labour movement would inevitably exercise in such an alliance, to maintain the strength and unity of the alliance, and to ensure fulfilment of the agreed programme.

EQUALLY the key to unity of the labour movement lies in the co-operation of the Labour Party and the Communist Party, representing the principal trends in the active working-class movement at the present day. Socialist and Communist co-operation has been widely achieved in the liberated European countries, and that unity is playing a decisive part in building up the new progressive Governments. The members of the political working-class parties have learned the need of unity in the common struggle against fascism. It is only four years since the French Socialist Party was voting the expulsion from Parliament of the French Communist Deputies and their imprisonment, and passing the Death Decree against the French Communists—the prelude to the fall of France and the installation of Petain and the agents of Nazism. It is only four years since the delegate of the French Socialist Party to the Labour Party Conference was defending those measures against the Communists and denouncing the French Communists as traitors. Today the French Socialist Congress through its Purging Commission has expelled the majority of the French Socialist deputies (reported in the press as 78 expelled from the party and 12 suspended from the legislature—a total of 90 out of 154) as collaborators with Nazism, and has approved the pact of co-operation with the French Communist Party; and the Vice-Chairman and Secretary of the Labour Party have

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attended that Congress to bless its proceedings. Is there not a lesson in that reversal for our movement also?

TWELVE months ago Mr. Greenwood stated in Parliament, in the course of a speech advocating the strengthening of the unity of the alliance of the United Nations, on December 14, 1943:—

> Marshal Stalin—a great realist—had his views (as we all did), but we had to learn to live with the hard-boiled American on the one hand and the double-dyed Communist on the other. It would not be easy, but it was high time that we should begin to pull together not merely on the war issues, but on the post-war issues

The truth of this applies at home as well as abroad. The aim of unity is not the special interest of one section or another section. It is the common interest of all sections. The victory of unity is not the victory of one section over another section. It is the victory of common sense.

THE time before the coming election is short. It is necessary to recognise that the coming general and municipal elections will be of decisive importance for the future of this country. Preparation and mobilisation will be essential if the outcome is to correspond to the needs of the situation and the wishes of the people. The first condition for such preparation and mobilisation is the common alignment of those parties whose co-operation can alone ensure a progressive majority. We need to end once and for all the passivity and defeatism which accepts the existing division and disunity as inevitable, with the consequent prospect of a Tory victory, and then tries to find consolation in the view that it may be best to leave the Tories in power and to be content with a strengthened labour representation in opposition, since the problems and burdens of the concluding stages of the war and of the change-over from war to peace will be so arduous and exacting as inevitably to bring unpopularity on the Government which shoulders them. Such a confession of bankruptcy before the nation and betrayal of the responsibility of leadership would be equally fatal for the present and the future. On the contrary, the labour movement, given unity and confidence in its strength, has the policies and the programme which can alone successfully tackle the gigantic problems following the war; and it has the strength and the power and the responsibility of leadership to rally the majority of the nation for the fulfilment of those policies which are in the vital interest of the entire people.

R. P. D.

November 22, 1944.

The Editor of LABOUR MONTHLY will be very glad to receive contributions in the form of finished articles or of suggestions and data for articles. The customary proviso must be made that no responsibility is undertaken for manuscripts sent to him nor can he promise to enter into correspondence regarding contributions not accepted.

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The Lair of the Beast

by IVOR MONTAGU

HOW long will it take to finish off the beast in its lair?

"Southern England," as it is called, with its experience of V1, V2 and possibly other numbers to follow, has certainly good grounds to know the truth of Stalin's dictum that "a wounded beast in its lair does not cease to be a dangerous beast," and to be interested in the answer to this question.

The Allied armies are certainly approaching the very entrances to the lair.

As we write, the Germans have been expelled from the greater part of the territory of the Soviet Union, from most of France, from Belgium, Luxemburg, and Central Italy, from parts of Holland and nearly all Finland, from Rumania, Bulgaria, most of Greek territory, a great part of Yugoslavia and Hungary, the easternmost part of Czechoslovakia and part of Poland.

All the satellites have abandoned Germany and joined their forces to the Allies, except only Hungary, which is tottering in the same direction. On French, Greek and Soviet soil the Wehrmacht clings by its toenails only to the French western ports and eastern frontier, the Greek islands and dwindling pockets of the Baltic coast.

Both west and east, Allied troops actually fight on German soil, rule in German towns.

It is this overall picture which is responsible for the wave of optimism that affected the Allied peoples toward the latter half of last summer.

How far is this optimism justified?

In so far as it relates to the outcome of the war, entirely. Militarily, Germany's position is now hopeless. The factors of superiority that operated during the campaigns of summer, 1944—two-front war, air supremacy, superiority of production, better troops—will operate likewise in any subsequent campaigns. The Germans have no hidden strength. They tried their utmost to prevent the Allied successes of 1944, and failed. They will fail in the endeavour to prevent future Allied successes.

But, and this qualification needs to be understood, in so far as this optimism relates, not to the outcome, but to the course of the war, expecting rapid and easy successes and a German collapse, it is not justified. The remaining battles will be won only by the same method as those that have gone before, namely, by exerting an effort greater than that of the enemy.

The wave of optimism was at its height with the swift engulfing of the German centre front in the East and the arrival of the Red Army within shooting distance of East Prussia in early summer, together with the sweeping swiftness of the German *debacle* in France.

The illusion was never shared, indeed, it was specifically warned against, by Stalin. Finishing off the beast in its lair, he emphasised before ever the summer 1944 campaign started (May 1 Order of the Day), would be yet more difficult than had been the expulsion of the enemy from Soviet soil, it would tax the combined strength of the Red Army and its Allies.

There is no doubt, however, that there were certain circles in the political and military world in the West whose judgment was momentarily stampeded by the, to them, unexpected scope of the great successes in the West.

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There is a certain type of mind among the leading circles of the West that is a "sucker" for Goebbels's propaganda. Without in the least being Fifth Column in intention, often devoted in intention to the Allied cause, it yet believes solemnly all the propaganda of the enemy. The Red Army was underestimated, not only in 1941, but consistently till 1944; the German retreat in the East held to be, at least in part, voluntary, "to shorten the line"; the "Atlantic Wall" and "Fortress Europe" were believed to be, if not impregnable, at least too strong for those who (deep-down) felt themselves military idiots compared to the mighty Wehrmacht; and the French Forces of the Interior were looked on as a useless rabble.

When the event (i.e., Allied military, productive and organising skill—the mulberry ports, the air and airborne divisions, the skilful command and eager courage of the troops) had disproved all these things, such circles jumped to the other extreme and assumed that the enemy was at his last gasp and incapable of continued resistance.

They failed to perceive that now at last the enemy's supply lines had been shortened, in truth and not in mere communiques, while those of the Allies were drawn out. Nor did they fully note the big role played in completing the rout of the enemy, in delaying his concentrations during the first stage of the battle and, in the latter stages, in hampering his retreat and enabling Allied spearheads to speed forward to encircle and annihilate, by the mass scale of the French resistance movement. This role will not be repeated anywhere in the battles on the further route to Berlin.

The front now facing the Allies in the West is not any longer the paper wall along the Atlantic, which the Germans can never have had during the war either time or labour to make continously deep, and which was planned mainly as strong-points to be reinforced *after invasion* from an interior reserve situated on hostile territory far from Germany, a reserve which, since the guts were torn out of the total Reichwehr by the Red Army, could never be made numerous enough.

The front facing is now very formidable indeed. Note, for example, that Patton's men, the American Third Army, were forced to remain motionless for months, not at the Maginot and Siegfried lines, but principally at the Moselle, with both these great pre-war-prepared defence belts still intervening before Reich territory is reached.

Northward, where these defences are less strong, we have seen from the stubbornness of the fighting around Aachen, from the German success at Arnhem, from the difficulty of winkling the enemy out of Southern Holland up to the Maas—with innumerable further water obstacles, including three or more mouths of the Rhine, intercepting any outflanking move—the complexity of the obstacles ahead.

Allied supremacy in man-power, in morale, in air-power, in weight of material, is such that the enemy front certainly *can* be broken at any point, but only at the time-cost of first assembling that superiority in position. With only Cherbourg, and possibly Rouen, to depend on as entry ports, with supply lines and pipe lines necessarily extending hundreds of miles, that accumulation could not be accomplished in a day, a week or even a month.

The German disaster, with its loss of the 7th Army and some half million men, was grandiose. But the garrisons left isolated in the coastal areas behind the Allied lines were not, as some hastily ill-judged, an evidence of German errors, but an offset to the triumph. Long after the loss of Paris and

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Brussels the Nazis held (they still hold at the moment of writing) the western ports, Lorient, St. Nazaire, the approaches to Bordeaux, and Dunkirk, and it is only a short time since their expulsion from Brest, the other channel ports and the Scheldt mouth.

At the cheap cost of these garrisons an immense delay has been imposed on the development of the Allied onslaught against the German frontier from the West.

A lot of comparably misleading nonsense has been written (not from the Soviet side) purporting to show it as typical Fuehreresque military intuition that the Wehrmacht has for so long clung to the Baltic coast.

Certainly we need not see in this any military triumph; the German command did not desire to see its troops here repeatedly cut off and steadily ground down, and the ultimate price in badly-needed soldiers will be higher here for Hitler than that of holding on to the ports in the West; but none the less, the refusal of Hitler to start a panic pull-out here to avoid or escape from encirclement, the decision to hold out here to the last, has imposed a cramping delay of months on the Red Army right wing.

Survey the Eastern front as a whole, the task facing the Red Army after its swift victories of early summer.

The Germans here, though of course diminished in quality, are still huge in quantity. The figures revealed by Stalin on November 6 this year showed that 180 German divisions still face the Red Army, one more than the figure operating here in 1942. Certainly internal divisional strength must have declined, but this fact, that after all its losses the Wehrmacht in the East still numbers more divisions than in the year that it reached Stalingrad should make people appreciate the finishing-off job that still has to be done.

On the central route to Berlin the Red Army had reached the Vistula and Warsaw. But this was not the Dnieper, the Germans were hundreds of miles nearer their production bases, the Red Army hundreds of miles further away from theirs, and the battered railways that intervened included many of a gauge imposing complete reconstruction. The Dnieper, in any case, imposed a halt before Kiev could be taken. But here, not only was a proportionally longer time required for accumulation, but the position of the Germans to the north meant that any premature central blow exposed a flank to a riposte.

Immediately to the north East Prussia thrust out eastward. Here, although the Red Army stood on the frontier, are situated the strongest defensive positions in all Europe. Starting with natural features of lake and marsh, they have been steadily strengthened ever since the last war, not over a period of the duration of the present German emergency, but over thirty years. The several belts succeed each other for a depth of from 75 to 100 miles, continuously from the east frontier to Koenigsberg, with every village a strongpoint and every contour saturated with defences.

Any premature attempt to remove this outflanking threat from any centre advance would itself have been outflanked by the German 6th and 12th Army positions northward to the Gulf of Finland. To clear the way to Berlin, the Red Army has had to strike still further north, put Finland out, isolate the German positions in the Baltic States and patiently gnaw them away. The fact that, after the whole autumn campaign and the recovery of Esthonia, Riga, all Lithuania but Memel, the German troops surviving in Latvia still hold, with the tip of Oesel, access to the Gulf of Riga, and still number 30 divisions (forty per cent. on this one sector, of the entire

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strength engaged by the Allies in the West), together with the fact that as yet only the outermost belt of East Prussian defences has been penetrated, gives an idea of the obstacles that have been overcome, and still remain to be overcome before the lair of the beast can safely be invaded from the Warsaw direction.

The southern flank of the German centre was guarded by the Carpathians, and anyone who recalls the difficulties encountered by the British and U.S. forces in northern Tunisia, near Etna and clambering up the spine of Italy will appreciate the obstacle constituted by a chain far sterner than the Apeninnes. The campaign by which this has been turned, overshadowed for the western public by the freeing of France, represents one of the most extraordinary feats of the Red Army during the whole of the war.

It was a campaign exceptional in its political as well as military execution, and matching in both its strategic conception. Rumania and Bulgaria were switched against Hitler, a half million German troops engulfed on the way, another German army group thereby cut off hopelessly in the Balkans, admitting moderate British contingents into an emptied Greece,* and the way cleared for a drive over thousands of miles of what was formerly hostile territory into the Reich through Budapest.

Without the political policy that has brought to the surface the democratic forces in Rumania and Bulgaria, the operations now pressing the Germans on the Danube and Tisza would have been quite impossible.

* Here, too, note the hindrances imposed on Allied movement by the German continued maintenance of Germans in the Aegean islands which would require diversion of considerable forces to reduce them.

This wonderful campaign has multiplied by a fourth the difficulties of the Wehrmacht, imposing upon it a threat as immediate, and requiring as intense concentration in defence, as those on the Rhine, the Vistula and the Baltic. But it should not be supposed that further progress—at such a huge extended distance from base—will be any easier to make preparations for than on any of the other three sectors.

So far we have concentrated on depicting the military-positional strength remaining to the German armed forces. This picture would be wholly one-sided if it did not at the same time emphasise their *basic* rottenness and weakness.

This weakness derives from the complete exhaustion of reserves, both of morale and material.

All the strength of Germany is in the periphery of its defences. The super-total mobilisations have kept the divisions in the contracting outer ring at full number, but there is nothing more to scrape from the bottom of the pot. The Volkssturm of defeated Germany in a fifth year of war cannot compare in vigour to the Home Guard or partisan detachments formed by peoples in their fresh rage of recovery from initial German successes. The industry which is already outmatched by U.S. production and hindered by loss of resources and bombing from the air can only fall further behind. No inventive malevolence of V1s, V2s, or the whole arithmetical series to V*n*, can redress the balance. No matter the haphazard murder these weapons wreak in London, they can have no more effect in arresting the ultimate march of the encircling armies than if they fell in Timbuktu. Whatever the obstacles facing the Allies, there is nothing within Germany's power to do that can prevent the Allies from overcoming them. The German armies that could not hold the Leningrad defences, the Carpathians, the Dnieper,

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or prevent the Western Allies from entering France, cannot hold any defences that the Allies are resolved to burst open; their best effort can only magnify the effort needed by the Allies, it cannot thwart it.

And this material fact is the basis of the exhaustion of morale. The Germans, leadership and people, know by now that they cannot win, that they cannot prevent the victory of the Allies. Hopes of splitting the Allies, since the Teheran and Moscow Conferences, since the defeat of Dewey and his appeaser backers, since the fiasco of the crime of General Bor, have faded to unreality. The appeal now, when it is not a simple threat of execution for disobedience, is entirely mystical, to "destiny," to "God's love for Germany," which providence cannot abandon. A mysticism that the reality ahead will jolt to pieces.

Truly German fascism is at last on the brink of the abyss. But, as Stalin wrote to the Red Army last February: "Never in the history of wars has there yet been a case of the enemy jumping of his own accord into the abyss." To win the war one must push him into it. He will struggle yet with the fury of the doomed. His position is not so weak that it will not require an almighty shove to get him over the edge. This must be understood. But it is in the power of the peoples of the United Nations to give that shove, and it is not in the power of the enemy to prevent it.

The Labour Party Conference

by P. G. BARSTOW, M.P.

ON December 11 the most important conference since 1939 will be held at the Central Hall, Westminster, and decisions of far-reaching importance will be arrived at. This conference will be followed with the closest interest not only by the citizens of this country but by those who have felt the weight of the Nazi yoke in the formerly occupied countries of Europe. During the war years political controversy has been comparatively slight, and the political truce has maintained the relative strength of the main political parties, so that with the end of hostilities in Europe we shall be in the same position as in 1939, provided that the conference endorses the Executive's decision to fight the next election as a separate political force.

The Conservatives are reorganising their political machine and many of their old diehards will be replaced by young candidates from the forces. Similarly, the Liberal Party is endeavouring to stage a come-back and they have a fairly large number of candidates in the field. Despite the adhesion of Sir William Beveridge, the Liberals are not likely to cut any ice in the final result, and the struggle will be between the right and left in politics.

In an educated, politically conscious democracy there would be no doubt about the outcome of the struggle, but taking things as they will be, with the Conservatives claiming they were the main part of the rock of salvation, and at the end of six years of hard work and preparation as far as the working section of the population is concerned, we shall require to mobilise all our resources if we are to succeed in overthrowing the gang who not only led the people to the edge of the abyss in 1939 and who are now using their majority in the House of Commons to bolster up the interests of the class they represent. They, of course, have their superficial differences on details of policy, but as a party they can be relied upon to stand together when circumstances demand it.

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But we do things in a different manner. We have the Labour Party, Co-operative Party, Communist Party, Independent Labour Party and Commonwealth, all striving for the same objective and no common bond between us. That is our fundamental weakness, and at the same time a source of strength to our opponents.

Fortunately, in this war, the enemy has not crossed our shores and we have had none of the horrors of occupation to endure. We have been tolerably well-fed, thanks to the efforts of our agricultural workers, and the harvest volunteers, and although the strain on the workers has been exceptionally heavy, we have come through the ordeal well.

In the occupied countries the position is vastly different; devastation, starvation and torture have been the lot of the people. But in no country has the spirit of the people been quelled. Repression and tyranny unified the effort of the people against the invader and in all countries the underground movement developed. It was not the defenders of property who took the lead in resisting the enemy, in blowing up his ammunition trains, tearing up the tracks, etc. In all the countries the lead was taken by ordinary men and women, irrespective of whether they were Socialists or Communists. The common danger wiped out old antagonisms, and that should point the lesson to all of us here.

It is futile for us to keep alive the animosities of the last twenty years, when we know that we can obtain power if we fight together in one army with one common policy. We have always claimed to be the leaders of socialist thought in Europe, but now Europe has given the lead to us, and look to us to follow it. The old days, when we charged the Communist as being under the control of a foreign government, have gone, and given a spirit of goodwill, there should be no difficulty in bringing them inside the official working-class movement, where their enthusiasm and capacity for organisation will add strength to our movement.

Throughout my political life I have been opposed to all parties except my own, but looking to the future, and the debt we owe to those who have fought the fascist menace and many of whom have made the supreme sacrifice in order that those who follow them shall have a higher standard of life, I say we cannot afford to continue fratricidal strife, and that the time has come to close our ranks. For the purpose of winning the war, and to create national unity, it was necessary to coalesce with Liberals and Tories, and in order to bring about a socialist Europe in which Britain should play her part, it is just as necessary for all parties of the left to coalesce to achieve the great objective. And yet we talk of fighting each other, even if it means giving the enemy a new lease of power. That, I am satisfied, is not the desire of the rank and file of the movement, and if the issue were to be left to them there is no doubt what the result would be.

I have always felt that my own party should embrace everyone who desires a new social order and that all other parties should sink their identity in it, but I can appreciate that just as Christians express their desire to get to heaven by their various forms of worship, the different brands of Socialists, for diverse reasons, are reluctant to sever their old connection.

We all profess a desire for a socialist Europe because we know that unless we achieve that objective we shall have to face unemployment and poverty on a scale we have not yet known, but there is only one way of doing it and that is to sink our difference and adopt the continental principle of unity. Had there been unity in Germany this war would not have occurred, and that

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fact should be remembered by every Socialist, no matter what his denomination may be.

The Party Conference will undoubtedly have a heavy agenda with insufficient time to get through it. Not only the immediate programme must be decided, but steps must be taken to ensure that we have full representation on all questions affecting the peace settlement and the future of Europe, and with that object in view, we must gather all our strength in order that we, in conjunction with the socialist movements of all liberated countries, can lay the foundations of a social order that will abolish prospects of future wars.

One word in conclusion. The swing to the left is taking place in all sections of the community. All their hopes and aspirations are bound up in the decisions taken at the Conference, and if we all do the right thing and put aside our old prejudices, nothing can stop us.

French Political Situation

by CLEMENS DUTT

FRANCE is occupied with two major problems: the restoration of its economy and the re-birth of democratic political institutions. Since various parts of France are devastated and more or less isolated, and their people cold, hungry and often without work or adequate shelter, the economic problems tend to be uppermost in their minds. Thus in Paris people in restaurants invariably talk about food and heating, but they rarely discuss politics. Nevertheless, one feels that there is a healthy current of vigorous political feeling pervading the whole nation. The national insurrection brought the masses of the people into surging activity and led to the creation of new forces of popular activity—resistance groupings, liberation committees, patriotic milita, etc., and this has given a deep-seated impulse to political life.

All the problems of the resurgence of France as a great nation are closely inter-related. After four years of Nazi occupation which have inevitably left considerable traces of ravage, both material and mental, France finds herself in a situation in which the war has yet to be pursued to victory, part of her territory has yet to be liberated, while at the same time her economic and social structure has to be reformed and her new political institutions created. Consequently, the present period cannot help having a transitional character. Much is in process of change or new formation. It is not yet possible to foresee with certainty what the outcome will be.

During the occupation the French Communist Party expressed its political programme in three simple popular slogans: liberate France, punish the traitors, let the people speak. These are still the basic needs of the present period and the central features of the present situation as evident three months after liberation can be considered under these heads. It is true that the whole problem now can be described as the reconstruction and rebuilding of France as a great nation, but as far as the economic tasks are concerned, they are bound up with the realisation of these demands and in particular with the removal of the traitor industrialists and financial rulers.

Liberation of France

For the prosecution of the war the central problem is the formation and arming of a new, strong and united French army based on the people. Already in Africa the problem of a united army was complicated by the diverse origin of the different sections.

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In France, in addition to new volunteers, there are three main elements: the invasion troops, the F.F.I. (French forces of the interior) and the cadres of the old army more or less quiescent during the occupation.

Many officers of the old army were inclined to be contemptuous of the F.F.I., because of the latter's lack of professional officers and military experience. But the F.F.I. covered itself with glory during the insurrection and the reactionary attempt to liquidate it failed, partly because it became evident that its heroic cadres were needed at once to make up for losses and to carry on the war.

Valuable time was wasted, however, before the decisions taken towards the end of October by the War Ministry in conjunction with C.O.M.A.C. (the military Committee of Action of the National Council of Resistance, which directed the F.F.I. from the resistance side). These decisions at last realised the integration of the F.F.I., estimated then at about 250,000, in the French army.

France needs for her security a new army of a million men, not the old professional army, but an army of the people, politically conscious, with modern equipment and trained in modern warfare. The problem of restoration of war industry is a pressing one, and it is not the least of the fields in which bureaucratic delay and sabotage has been manifest. At present France is dependent for equipment on the Allies. Much has been told of the terrible hardships due to lack of adequate clothing, equipment and armament of the F.F.I. troops engaged against the 70,000 Germans still entrenched on the Atlantic coast. Assistance for them is an urgent question.

Economic reconstruction and the purge

The economic reconstruction of France is in many respects a political problem. One hears repeated *ad nauseam* the excuse of the vicious circle which hinders the restoration of industry. The argument is as follows: The essential restoration of railway transport depends above all on steel for repairing the broken bridges and permanent way. But the steel industry is held up for lack of fuel, while the necessary coal cannot be cut because of the lack of pit-props. These cannot be brought from the south because of the lack of transport and so the circle is completed.

The real vicious circle, however, seems to be that of the trust heads and profiteers who still have the reins of production in their hands and who are widely accused of a deliberate sabotage policy. Thus the impossibility of obtaining pit-props, so much talked of in Paris and always given as the explanation why Parisians must do without heating this winter, appears to be something of a myth. Trade Union reports indicate, not only that wood could be obtained locally, as done for a time during the last war, but that one of the reasons for lack of supplies from the south is not impossibility of transport, but because the wood merchants find it more profitable to sell for firewood or charcoal than as pit-props. Moreover, although the mines of the north have been requisitioned, management is still in the hands of the former administration and the Trade Unions report various causes for dissatisfaction.

Nevertheless, there has been some progress. On October 16, Lacoste, minister for industrial production, reported that daily output in the mines of the Nord and Pas de Calais was only 28 per cent. of that before June, 1940, and that prospects for the winter were gloomy. This caused such a wave of dismay that on October 27 Lacoste announced that the decline in coal production had been halted and upward growth had begun. He said that daily output was now 51 per cent. of that in the first quarter of 1940. Early

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in November the miners began to work four days per week instead of three, and it is now officially hoped that Paris will receive enough coal to allow every household one hundredweight in December.

On the whole, however, economic restoration has been hanging fire. In the popular mind this is inevitably connected with the continuation of control by capitalists who worked hand-in-glove with the Germans. There have even been strikes, such as that of the engineering works at Carbone Lorraine, because the managing director had been responsible for the deportation and shooting of workers by the Germans. In this case the manager and other compromised directors were arrested after two weeks. At a meeting in Paris on October 14 of engineers and technical staff from over 200 metal and engineering works in the Paris region a resolution was adopted stating: "the big employers and their organisations are not making any effort to ensure economic restoration, which is equivalent to concealed sabotage." Henaff, secretary of the Paris Trade Union federation, reported on November 12 at a Trade Union conference devoted to problems of economic restoration that there were 600,000 workers unemployed in Paris and that inaction during the months since liberation had allowed the trusts to recover their confidence and entrench themselves in positions of control.

The dominant issue in the economic field is whether or not drastic measures will be taken against the big trusts which held France to ransom before the war and which were the major factor in sacrificing national interests to Hitler and putting French economy at German disposal during the occupation.

To some extent this issue has been artificially devitalised by turning it into an abstract debate whether a programme of immediate nationalisation is necessary. A discussion whether the general aim of a "directed economy" promised by de Gaulle involves thorough-going nationalisation, or to what degree, is of course harmless to the trusts. In any case, nationalisation with compensation has no terrors for them.

The big financial and capitalist interests have been given time to consolidate their positions. It would have been easy in the weeks immediately following the liberation of Paris, in the wave of national enthusiasm for the creation of a new France, to take drastic economic measures with full support from the people. That opportunity was let slip and it is doubtful if it can be made up for by slow, deliberate planning.

The only sphere where immediate action was undertaken was the press and it was completely successful. The traitor capitalist press was confiscated, the buildings and presses taken over and the Minister of Information has pledged that they will never be handed back. None raised any complaint and even if some things remain to be done for the creation of a really free press, at least Paris newspapers are no longer a servile appendage to trust interests.

For the rest, however, there is little positive to record. The big banks guilty of voluntary collaboration remain untouched. Instead, by the issue of a new government loan as the main feature of financial policy they have been able to rehabilitate their tarnished reputations and amass fresh profits.

The only big enterprises taken over are the Renault works and the coal mines of the north, and these have not been confiscated, but only requisitioned, with the possibility of eventual compensation and even return to private hands. There have been no trials of big industrial collaborators or trust magnates and very few of them

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have even been arrested. Gignoux, the notorious president of the federation of employers, was under arrest, but has been released.

Thus, the urgent problem is not one of nationalisation, but of punishing the big capitalists guilty of treason and confiscating their property so that it can be run for the benefit of the nation. If this is not done, all other positive measures may prove useless, just as the high-sounding programme and social gains of the Popular Front before the war were rendered abortive because the key economic questions were not tackled.

Let the people speak

All the previous problems come to a head in the problems arising over the restoration of democracy. From the formal aspect the matter is simple enough. At the end of the war, after the return of the nearly three million prisoners and deportees, there will be a general election based on universal suffrage. This will provide a Constituent Assembly to which the present government will surrender its mandate and which will draw up a new constitution. With the adoption of the new constitution the Fourth Republic will be born and elections under it will establish its government and parliament.

Until then, however, the transitional period continues, during which every authority is provisional. This applies, not only to the government and consultative assembly, but also to the resistance movement itself.

During the occupation, the National Resistance Council led the struggle in France while the Provisional Government, with a mandate from the country expressed through the Resistance Council, exercised state authority on behalf of France. Both government and Resistance Council persist now and both are inside France. It is inevitable, therefore, that there should be some clash of authority during the present transitional period.

In the first place, although the government derived its authority originally from the support of the resistance movement, it is formally independent of it and tends to become more and more so, in fact. General de Gaulle declared his support of the programme adopted by the National Resistance Council in March, 1944, but he and his government have their own ideas how much of it is realisable and in what way it should be applied.

The Provisional Government is susceptible to many other influences besides that of the organised resistance movement, not the least being those operating in State international relations. The effect has been a discernible tendency of the government to postpone the introduction of radical changes and to concentrate on immediate war tasks and the resumption of "normal" conditions of order and everyday life, even at the cost of leaving anti-patriotic forces unscathed.

There are many who feel that the problem of social and economic changes such as are demanded by the resistance movement is not being tackled in earnest and that there is now a possibility that they will never be carried through. In a recent leading article, *Combat*, outspoken organ of the resistance organisation of that name, in a criticism of the government's loan policy, went so far as to say: "One must not lie to the country and talk of a political revolution while putting forward measures of reaction." The resistance organ *Liberation*, criticising the government communique on the disarmament of the patriotic militia, raises the question whether the aim is to return to the same sort of administration and police system as in 1939. It declares: "France has not carried through its struggle in order to regain the men and regime of 1939, even if purged." Such are typical

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statements, not from Communist journals.

The attempted dissolution of the Patriotic Militia produced a crisis in the relations of the government and the resistance movement comparable to that caused by the attempted dissolution of the F.F.I. immediately after the liberation.

The Patriotic Militia was an organ of popular struggle born from the needs of national insurrection. The initiative for its formation was taken by the National Resistance Council and it played an effective part during the liberation. Its organisation has been maintained and strengthened since then and it has been a valuable auxiliary to State forces in tracking down remnants of the enemy, protecting factories and buildings against sabotage and ensuring vigilance.

On the excuse of reported abuses of power committed by armed guards, but apparently moved also by lack of confidence in popular institutions, the Provisional Government took steps which were intended to lead to suppression of the militia as a whole, attacking it on the ground that it had no further function, since the insurrectional period was over.

It is probable that some right wing or anti-communist elements in the resistance movement were not averse to its suppression. But the method adopted by the government, in issuing a brusquely worded communique without previously consulting the Resistance Council, and the fact that the guards continued to fulfil an important function, while their organisation and status was just then under discussion by the Council, threw all its members into a solid bloc of opposition to the attempted suppression.

The Council stood by its proposal that the Militia, for which it proposed the name of Civic Republican Guard, should have a recognised status and it has submitted proposals to the government to this effect. Since the actual government decision refers only to the application of the previously existing reactionary Daladier decrees on the carrying of arms in public, the government has been able without appearance of retreat to abandon the idea of dissolving the guard as such.

The Guard continues. Tens of thousands of them marched in demonstration in Paris on November 11, without arms, of course, but an agreement as to their status has not yet been arrived at. It is doubtful if they have given up their arms altogether, at least, outside Paris. Certainly there are at large many men of Darnand's fascist militia and other Fifth Column elements who are armed, and instances of attacks on factories or persons by such armed agents are common.

(The conclusion of this article, dealing with democracy in France, will appear next month.—ED. L.M.)

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The Communist Congress

by E. M. WINTERTON

TWENTY-FOUR years ago the Communist Party Convention at the Cannon Street Hotel (July 31-August 1, 1920) founded the Communist Party.

One need only compare that Congress with the proceedings of this year's congress at Shoreditch Town Hall to realise the immense advance in strength, political maturity and influence of the Communist Party since 1920. The unity of the labour movement and the co-operation of all Labour and progressive forces to win the war and the peace: the detailed programme of post-war reconstruction entitled "Britain for the People": far-reaching practical policies on housing, wages, the conversion of industry to peacetime production, demobilisation —such were the issues, of direct bearing on the everyday lives of the British people, discussed at the 1944 congress.

Not that the young Communist Party of 1920, for all its preoccupation with tactical questions which have long since become historical memories, was as remote from the great issues of the day as might be thought. Within a week of the Convention, the country was ablaze with fury at a sudden threat of war on Soviet Russia; and it was the Communist Party which, that weekend, in its proposals carried by acclamation at dozens of demonstrations all over the country, gave the lead for the creation of the Councils of Action, backed by all Labour's strength, which stopped the war. But in the Trade Unions it was as yet extremely weak—all the more because the imperialist nature of the war which had ended eighteen months before had called forth deep divisions in the Trade Union movement itself, and Communist influence was strongest among those militant shop stewards with whom the Trade Union leaders were constantly at loggerheads.

In all respects today the situation has changed. Today the British people is united in the knowledge that it is fighting a just war to crush fascism. The 1944 Congress was most emphatic in endorsing Harry Pollitt's declaration, in his report, that a "soft peace" would endanger the safety of Europe, and particularly his closing remarks:—

We must remember that the aim of the United Nations is to destroy by land, sea and air the German war machine, and to pursue it right into the heart of Germany in order to guarantee that this will be done. It is a formidable task. It can be done; but it will be done more effectively if at this moment there are no attempts to break the existing unity of the people.

This is why it is essential, not only to maintain national unity, but to fortify it by a new declaration of support to the National Government. Such a policy is in the interests of the armed forces, of the people at home, of the unity of the United Nations, of the shortening and winning of the war against Hitler, and of the whole future of humanity.

Soviet Russia, from being the object of open hatred and war, has become the close ally of Britain and the greatest menace to the common enemy. And the great growth of trade unionism, during this war in which victory depends more than ever on the organised working-class, has gone hand in hand with the growth of closer mutual understanding between shop stewards and Trade Union officials, and with the appearance of a typically British working-class innovation within the factories—the 4,000 Joint Production Committees.

Not the least is the real transformation in the position and influence of the Communist Party. The credentials committee report at the 1944 Congress bears impressive witness. Out of 754 delegates, 699 were members of Trade Unions, most of the remainder being housewives: and 589 were co-operators. Very many were branch officials,

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district committee men, members of Union Executives. In this respect the composition of the new Executive Committee of the Communist Party, elected at the Congress, is no less significant—including as it does the presidents of the South Wales Miners' Federation and the National Union of Teachers, a member of the General Council of the T.U.C., a national organiser and an E.C. member of the Amalgamated Engineering Union, members of the Executives of the Locomotive Engineers and the Transport Workers, a director of the Royal Arsenal Co-operative Society and a member of the Management Board of the London Co-operative Society.

Moreover, keeping pace with the greater political maturity and activity of the working-class which have brought the latter to the threshold of leadership of the British people, the Communist Party of today represents not only the most advanced workers, but all that is best in the whole nation, on the common basis of the fusion of socialist theory with working-class organisation. By the side of such men and women drawn from the leadership of mass organisations of the workers, the Congress elected at the head of its list such tried veterans of revolutionary organisation as Gallacher, Pollitt, Dutt, Rust, Campbell, Bramley, Gollan and many others; and likewise once again did itself the honour of electing—with one of the highest votes—a world-famous Fellow of the Royal Society, to leadership of the Party for which the emancipation of the working-class means the same as the full emancipation of the human mind.

Recognition of this responsibility of the Communist Party to the whole nation, and indeed, to the peoples of the whole world, was manifest throughout the Congress debates. Not only in the emergency resolution dealing specially with housing, but also in the discussion on "Britain for the People" and on the conversion of industry from war to peace purposes, speaker after speaker, drawing on a profusion of local experience, illustrated the importance of the housing question as the biggest single issue of immediate post-war reconstruction facing the British people. The issues of wages, discussed on the report of Emile Burns, of the conversion of industry (reporter, George Allison) and of demobilisation, on the report of A. F. Papworth, were treated by the dozens of speakers who took part, not as private issues of this or that category of workers, but as different facets of the same problem: the need for a radical reorganisation of British economy, such as only a Labour and Progressive Government can guarantee in present conditions. This perspective reached its broadest horizon in the debate on "Britain for the People," opened by R. P. Dutt—a debate informed and varied, ranging over subjects like planning for a permanently revived agriculture (Geo. Matthews), the revival of the cotton industry (Bill Whittaker), the overhauling of our municipal life (Tess Gorringe), the formation of a national youth parliament (Murdoch Taylor), the creation of a Central Housing Fund (Joe Waters), the nationalisation of railways (Frank Moore), the Welsh national question (R. Duckworth)—a problem new to working-class debates, to which the Congress returned more than once.

At the same time, the intense feeling of world kinship which characterises the Communist Party, preventing it from developing a narrow absorption in purely national problems, burst forth more than once. Deeply moving was the Congress response to Pollitt's tributes to the achievements of the Red Army and to the quietly powerful address of the foremost figure of Indian Labour—S. A. Dange, president of the All-India T.U.C., veteran

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of the shameful Meerut trial of 1929, old spokesman of the Indian Communists. The Congress rose with deep emotion at the addresses of fraternal Czechoslovak, Irish, Austrian and German delegates: the German representative, a distinguished commander of the International Brigades in Spain, being appropriately accompanied by the delegate of the Spanish Communist Party. Emergency resolutions on the situation in Spain and on Frank Ryan, the Irish fighter for the Spanish Republic, again gave the Congress the opportunity to show that white-hot passion of hatred against Fascism, wherever it may be, which springs from genuine working-class internationalism.

On one issue only was there a clear political difference—that of insisting on the maintenance of Communist candidatures, in face of both Tory and Labour candidates, where a united progressive front is refused: and then one branch only—Abertillery—was in doubt, out of the 546 represented. But there was no need for any intervention by what in other parties would be called "the platform." Delegate after delegate—Hornsey, Braintree, Bournemouth, Rossendale, Clydebank—rose to point out the essential weakness of such an attitude, and to prove from local experience that the Communist Party's position in real life has had the effect of stimulating the movement to working-class unity, not of retarding it. By an overwhelming majority the Congress rejected the point of view of the Abertillery branch.

In all these discussions, what impressed onlookers (including those from other political parties) was the enthusiasm and energy of the delegates, the virility and matureness of their ideas, their plain and clear-cut speaking. Not surprising, when we look at their age groups. 260 were under thirty years of age, and another 329 were between thirty and forty: the average age was 32½. No other of the principal political parties bears such a stamp of youth. Equally eloquent were the "political age groups" among the delegates. 317 had been members of the Communist Party for three years or less, i.e., they had joined its ranks since the German attack on the Soviet Union had transformed the character of the war and revealed to all the towering strength of the Socialist State. Another 329 had been in the Party four to ten years, i.e., they had joined in the period when the Communist Party came forward before the British people as the tireless organiser of anti-Fascist unity (incidentally, 77 had joined in 1939-1940, the year when the Communist Party was swimming upstream in its estimation of the character of the war). 108 had been members over ten years, thus embodying the older experiences of the Communist movement, in different conditions from those which have prevailed since Hitler came to power. It will be noticed that the number of delegates under 40 roughly corresponds to that with ten years' membership or less.

A party brimming with the vital energy and optimism of youth, mature in its experience and breadth of outlook, will be a reliable counseller and leader of the people in the momentous months and years that lie ahead.

Once again we have been asked by a soldier on a lonely Ack Ack site to appeal to our readers for books. The need is for "good educational books with popular stuff mixed if possible."

Will readers with any books to spare which they want to be really useful please let us know, when we will forward the address of the soldier in question so that parcels may be sent to him direct?

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Wages and Exports

by MARGOT HEINEMANN

IN every discussion about the future of Britain, and in particular the standard of life the British people can achieve after the war, the question of exports is being brought to the fore. The main argument brought forward against bold schemes of social security, forward wage policies, and better housing facilities is more and more frequently that post-war Britain will be a poor country and must concentrate her efforts on recapturing export trade.

Sir John Anderson gave the cue in the Budget debate. His proposal to raise the cost-of-living index by 5 per cent. was frankly an attack on real wages, which he attempted to justify by stressing the need for a great increase in exports to maintain standards. The same line of argument, already used by the 1922 Committee's spokesmen against the original Beveridge proposals in 1943, became the main theme of reactionaries in the debates on Full Employment in June, 1944.

In a more urbane and polished form, the argument forms the backbone of the Report of the Conservative Party Sub-Committee on Industry:

> . . . the ordinary person in Britain has little recognition of the necessities of the export trade. In a democracy like ours that is dangerous. It may lead to pressure for measures, without adequate thought for their repercussions on the nation's export task.

Now, while the correspondence columns of *The Times* are being filled with the same original thoughts over the names of leading Birmingham business men like Sir Bernard Docker (chairman, Birmingham Small Arms) and Sir Peter Bennett (chairman, Joseph Lucas), the theme has again been introduced for the new Parliamentary session by the ex-stockbroker Sir Waldron Smithers, who thought it necessary to raise these arguments on the adjournment on September 29:—

> Before we can think of increasing our social services, the first job the Government have to do is to ensure that the people of this country are fed. One of the risks we run after this war is the risk of starvation. . . . . We have to import from a third to one-half of our food and raw materials and, in order to import, we have to export. Having lost our overseas investments, we have to export physical goods at a price which the impoverished world can and will pay, or we go under.

Taken by themselves, Sir Waldron's remarks may appear just the ordinary clubman's after-dinner forebodings. More serious, however, is the approving reception given to them by the Financial Secretary to the Treasury Mr. Assheton (now the new Chairman of the Conservative Party organisation), who "welcomed any note of caution," and added:—

> We have lived through a period of five years during which we have been spending money at a colossal rate and using our capital resources without hestitation in the hour of our national need. Do not let us imagine that this can go on indefinitely. To do so would be to live in a fool's paradise.

And it is not only in Parliament that this argument is being used. The engineering workers, for instance, demanding wage increases from employers who have enjoyed unexampled profits during the war, have repeatedly had their demands whittled down on the grounds that we must not build up standards which would increase costs in the export market.

It is, of course, obvious that much of the argument about exports is dishonest argument by those who are primarily concerned to find a case for

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increasing profits at the expense of wages and social services. But there is a real question to answer as well.

The problem of exports, or rather of the balance of trade and of the balance of payments, existed before the war. But the war, though in certain respects reducing the problem (e.g., by the demonstration that Britain can grow, not one-third, but two-thirds, of its food) in most respects has rendered the problem much more acute.

What are the figures? In the last three pre-war years Britain imported goods valued at £930 millions (22½ per cent. of the national income) and exported only £540 millions (12½ per cent. of the national income). The difference between these two figures was met partly by some £200 millions of income on overseas investments (for the most part made many years before), £110 million from shipping services and £40 millions from financial items. Allowing for these, the three pre-war years showed, on the average, a deficit of £40 millions a year.*

During the war a considerable part of the overseas investments have been sold: a fall of £100 millions in income from this source has been quoted as possible (Kaldor, *Economic Journal*, April, 1943). Some countries, formerly debtors of the United Kingdom, have become creditors during the war—for example, the Argentine, or India, whose unspent sterling balances in London amount to about £1,000 millions. The accumulated debt to the United States and other countries may be as much as £4,000 millions by the end of the war. There may also be a fall in shipping income, because of the reduction in the merchant fleet, which may be as much as £50 millions. For these reasons it has been widely estimated that an increase of some 50 per cent. over pre-war exports will be needed if imports are to be maintained at their pre-war level; otherwise there will be a deficit on the balance of payments of some £200 million.

This does not, of course, mean an equivalent reduction in the standard of life, as an article in *The Times* (October 2, 1944), recently pointed out:—

> True, the loss of income from foreign investment and the deterioration of the terms of trade involve a reduction in the national real income. They represent, however, only a relatively small proportion of the national income as a whole. So far as the effect on the national standard of living is concerned, these adverse factors may easily be outweighed by an increase in the domestically-produced income due to fuller employment or increased productivity. The urgency of the balance of payments problem is not a question of impending starvation.

It would be possible to restore the export-import balance partly by restricting imports. The extent of Britain's dependence on imports can easily be exaggerated: during the war imports have been reduced to 40 per cent. of pre-war.* The proportion of food produced at home, for example, has risen from one-third to two-thirds, and it would not be in the national interest to let the new acres go out of cultivation, especially when the world is suffering from acute food shortage. Again, some system of priority for essential imports will certainly be necessary as a means of preventing deficits from piling up while adjustments are being made.

The Interim Report on Post-War Reconstruction, adopted at the T.U.C., puts the matter in its true proportion:—

> We fully understand the importance of increasing the efficiency of our export industries and of assisting them to gain lost markets and find new ones. We cannot, however, accept the view that if we

* Figures as summarised in *Facts for Socialists*, Fabian Society, 1944.

* Mr. Oliver Lyttelton, at Cambridge, 19.5.44.

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are unable to export, and therefore import, as much as we would like, this would relieve the Government from its obligation to pursue full employment by the expansion of the home market.

But the problem would still have to be solved of how to meet necessary imports of raw materials, with sufficient exports. If, for the sake of argument, we accept the figure of a 50 per cent. increase in exports as necessary, then the question is whether it can be reached and in what way.

There is no difficulty about producing the extra volume of goods required. The 50 per cent. increase needed would amount to about £270 millions, or 6 per cent. of our national production in 1938. That is not a serious problem for Britain, whose production in 1938-43 has increased by 40 per cent. without any appreciable increase in the numbers working. Nor is there any lack of need in other countries for the products which British industry is especially fitted to produce—machinery of all kinds, ships, cars and lorries, textiles, coal, chemicals, and so on.

The problem which does bulk large, however, is how to *sell* more goods abroad. In the ten years before the war, world trade did not expand, and Britain's share of it sharply declined. What prospects, then, are there of being able to expand exports now?

Before the war British industry was saddled with much obsolete plant and had to support a peculiarly wasteful, out-of-date merchanting and financing mechanism which greatly increased its costs; while British capitalists relied more and more on their monopoly power in "privileged" colonial markets, and on tariffs, etc., in order to cling on to their diminished portion of world trade. During the war other countries have shot ahead, in some cases supplying themselves with products formerly bought from Britain; while imperialist political control of the colonies is being weakened by the efforts of the colonial, and, above all, the Indian people.

On the old lines of British monopolist thought, the problem of exports thus appears insoluble. True, the minds of many capitalists and Tory M.P.s are still running to tariffs, restrictions, "Empire blocs," and so forth, but the decision does not rest with them. So some other solution has to be found for the problem. It is at this point, where British capitalists are required to mend their ways to meet the new conditions, that certain of them, rather than make the necessary adjustments, rather than cut out waste and monopoly and submit to the necessary State control, are looking for a way out at the expense of the workers. Hence the propaganda of the "export problem," not in order to solve the problem on the new lines that are necessary, but in order to provide a cover for the old bankrupt policy of cutting social services and wages.

As a policy for increasing exports, wage-cutting, or even wage-stabilisation, is quite useless, even if the workers would allow it to be tried again after their experiences in 1931. To cut or restrict wages, and therefore restrict the home market, means unemployment at home, i.e., complete waste of the productive power of human beings and machinery.

The export market in pre-war times absorbed only one-eighth of the products of our industry, and even with a 50 per cent. increase it would absorb only another £270 millions. But this will not go far to meet the gap left when the Government's military spending decreases—as it must at the end of the war—by something like £3,000 millions. If wages were cut, or even stabilised at their present level, it would be quite impossible to make use of the increased productive potential that has been developed during the war: for there would be no possible market for it.

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Over industry, as a whole, output per worker per hour is at present running about 30 per cent. above pre-war; but the hourly real wage (after allowing for the increased price of goods) is about 10 per cent. lower. Purchasing power must be increased, by higher wages and better social services, at the same time as capital is invested in improving the efficiency of industry: otherwise men and machines will be idle after a brief boom period in which wartime savings and capital accumulations are used up. The drive of the capitalists to increase their profits by keeping down wages while productivity increases inevitably leads to crisis, in whatever arguments of "national interest" they choose to clothe it. Not only the White Paper on Employment, but the more responsible capitalist opinion now admits as much.

Moreover, from the point of view of the exporter, costs would not be reduced, but increased, by a general low-wage policy. An under-employed industry is much more expensive to run, and hence means higher costs per article, than an industry producing flat-out. Technically, under-employment leads to stagnation. With a restricted market at home, monopoly devices to make a high profit out of a small output inevitably predominate. Instead of improvements to production, the result is scrapping of productive capacity, high-price rings and further difficulties for the export trade. The two recent periods of ruthless "axing" of wages and social services (after 1921 and 1931) were forcing-houses for such devices.

The issue can easily be understood if we take a practical example—say refrigerators. If wages and housing standards are kept low, only well-to-do people can afford refrigerators in their houses. So refrigerators are produced in small quantities, by "hand-made" methods, and remain expensive—too expensive for export. The factories, the machinery, the workers in the industry, are not used to the full: and many skilled engineers who might get jobs in producing refrigerators are left idle and make no contribution to the national wealth at all, but become a dead weight on the standard of the community. A big home market, on the contrary, offers the opportunity to standardise and mass-produce good-quality articles—with remarkable effects on technical efficiency and prices, as American experience and the wartime "Utility" scheme show.

Nor is it sound policy to argue that relatively high wages in the economy as a whole can be combined with extra low wages in the main exporting industries. The "solution" of low wages has had a long innings in mining, cotton and woollen textiles, where wages are so scandalously low that even the capitalists in the industry cannot advocate solving the problem by lowering them. Indeed, it is becoming very clear that unless they are raised the industries will starve for lack of a labour force. The truth is that the low wages in cotton, as in mining, have been the means by which the capitalists have managed to cling on and evade long-overdue measures of modernisation and reorganisation. In Lancashire, a modern mill is one built in 1908 and it is estimated that half the looms were built before 1910.* If the cotton operatives insist on a living wage, this will mean that the industry is *forced* to modernise, and thereby fit itself to export.

It is, indeed, significant that in the U.S.A., whose competition in export markets is so much feared, industrial wages per hour are roughly double what they are in this country. The

* See the recent Report of the Cotton Textile Mission to the U.S.A., where it is pointed out that production per man-hour in medium weaving in the U.S.A. is three times the level in Britain.

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other side of this is, of course, that productivity is in general much higher —probably more than double. But to imagine that wage cuts offer a way to adjust a disparity of this size is merely childish. To quote the *Economist* (September 16, 1944): "It is a commonplace that the high degree of mechanisation in the new countries (U.S.A. and Dominions) is largely due to the fact that labour has always been expensive there. . . . There is justification for the belief that the high wages came first and the high productivity as a consequence." And it is significant that the same article (though by no means taking a pro-trade-union line) advocates raising of wages as the way to "break out of the vicious circle" of low wages and low productivity.

Thus, in order to *sell* more goods abroad, costs must be lowered, not by a policy of wage-cuts leading to a contracted home market and unemployment, but by a policy of higher wages and full employment, made possible through the utilisation of Britain's enormously increased productive power. To do this means to get rid of wasteful burdens and to modernise technique; and this in turn demands far-reaching changes in economic policy, both nationally and internationally.

On the international field, the planned expansion of world trade as a whole is the only solution for Britain's "export problem." A free-for-all scramble for a restricted and poverty-stricken world market promises only a further worsening of the position of Britain relative to that of other countries. But with measures concerted among the United Nations Governments aimed to increase purchasing power, to repair the devastation of war and to raise the standard of life throughout the world, the prospect before British industry is without limit.

What does international economic co-operation require? It means that the key decisions on how to develop the world's resources and exchange its products are taken out of the hands of the private monopoly capitalist, and responsibility for them is taken by the democratic States acting together. It means that these States recognise their common interest in an expansion of production and consumption of goods throughout the world. It means that Britain and the U.S.A., for example, instead of engaging in a futile competitive struggle for a restricted world-market, plan their resources to aid in the economic development of backward countries and thus afford a greater market for the products of both countries. In place of the old imperialist basis of "unequal exchange," where Britain aimed at obtaining monopoly profit by the exploitation of colonial countries, it means equal exchange for the benefit of both sides. In place of the old system of private imperialist lending purely to increase private profit, it means international development schemes, financed and supervised through the United Nations governments, to aid the world by wiping out the poverty and backwardness in which a great part of its people have to live.

—*Victory, Peace, Security* (Report of XVII Congress of the C.P., Oct., 1944).

But if Britain and America devote their resources to economic development of the backward countries, will this not mean equipping new competitors against British industries? Does it not mean in the long run the extinction of British export trade?

This argument rests on the completely wrong idea that undeveloped countries are better buyers from abroad than advanced countries—in fact, that poor countries are better customers than rich ones. Actually the reverse is true; by far the greatest proportion of world imports, including imports of manufactured goods, are taken by countries with advanced industries of their own, and the volume of imports tends to rise as a country's national income increases. At present,

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the most highly industrialised regions of the world, with a population of 486 millions, do nearly 60 per cent. of the world's trade; the remaining countries with 1,639 million people—nearly four times as many—do only 40 per cent. China and India together have 39 per cent. of the world's population, but because of the poverty of their people do only 5 per cent. of its trade.*

All that can be said for this argument is that in the long run, it might be necessary for Britain and America to make adjustments in the *type* of goods produced for export (e.g., less coarse cotton, more finer grades; more emphasis on skilled engineering production and less on simpler types of goods): but this is a small job compared to the change-over and retooling through which our industries have passed in the last few years.

In order to be able to share fully in the new development, British industries must not only carefully study the needs of the countries to which they export; they must be modernised and re-equipped, so that the basic industries match the efficiency reached in the best war factories. Given that, both capital equipment and consumer goods can be sent overseas largely on credit, and at the same time living standards at home can be increased.

We should have no illusions that international agreements can work successfully if British capitalists continue monopolistic practices (to boost steel prices, for example, 50 per cent. above those of United States steel)† or if industries stagnate at their present technical level. The peoples just embarking on national economic development, with a standard of life far below our own, cannot be asked to carry indefinitely the burden of ramshackle chaos in the British coal industry, of our obsolete and redundant transport system, of Lancashire's antique productive plant.

Not only Socialists, but the more far-sighted capitalists recognise the need for far-reaching changes in this direction: As Sir George Schuster put it in the House of Commons debate on Full Employment (June 21, 1944) the emphasis must not be merely on stabilisation, but on progress:—

> If it is found that the existing sectional interests of private enterprise do not fit in with the pattern which is needed for the optimum use of national resources by modern methods: that they cannot afford to scrap old plant and make new combinations: that they cannot afford to risk the millions required for pioneer plant in new industrial processes, what then? Are the Government going to step in to mobilise the credit of the whole community, to stimulate pioneer work, to back new ventures on the pattern and to the scale required? . . . .
>
> If I know that British coal is going to be raised and utilised with maximum efficiency: if I know that the British iron and steel industry is going to be brought into the forefront of modern progress: if I know that our power supply and transport are to be properly organised, then I should feel we have a sound foundation for conditions favourable not only to full employment, but to a rising standard of living.

National ownership of these key industries, and a Government plan and control for industry as a whole, including the investment of capital, are essential if we are to make rapid productive advances. These are the means whereby the new Government must meet its obligations, not only to our own people, but to the free peoples of the world.

* For these figures, and many others bearing on this problem, see *World Economic Development* by Eugene Staley (I.L.O., 5*s*), an extremely valuable argument for the type of policy here outlined.

† See *Economist*, 14.10.44, "Dear Raw Materials," for figures.

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Full Employment*

by EMILE BURNS

SIR William Beveridge has come to the conclusion that in an "unplanned market economy" (otherwise known as capitalism), "even apart from cyclical depression, there may be chronic or nearly chronic deficiency in the total demand for labour." He points, of course, to other aspects of unemployment: misdirection of demand, weak organisation of the labour supply and of industry's response to demand. These lead to partial and local unemployment, even when actual demand could absorb all the labour available; but such unemployment can be reduced to a *minimum* by better organisation. Similarly, "cyclical depression"—the periodical slumps—can be to some extent eased by measures such as the Government proposes in its Employment Policy White Paper.

But after all of these forms of unemployment have been dealt with, there still remains the towering spectre of "chronic deficiency in the total demand for labour" which, at the top of the 1937 boom, "left 10 per cent. of the labour force unemployed in Britain and about 12 per cent. unemployed in the United States." Therefore the problem of unemployment, at this stage of capitalism ("unplanned market economy" as Beveridge persistently calls it), is not only to adjust demand from year to year on the basis of successive booms and depressions, but to ensure a steady total demand sufficient to absorb the products of industry, that is, to provide full employment for all available labour.

The full employment policy proposed is based on the fact that "Employment depends on outlay, defined as the laying out of money as demand for the products of current industry." This outlay may be of three types—on "marketable goods and services of direct demand" (consumption goods); on means of producing these ("business investment"); and on non-marketable goods and services, either for consumption or production, defence, education, etc. ("Communal outlay"). In the first two types, "continuance of outlay depends on consumers being able and willing to lay out money of their own;" but in the case of communal outlay, "no question arises of sufficient consumers' purchasing power."

The keystone of Beveridge's policy is: "the ultimate responsibility for seeing that outlay as a whole, taking public and private outlay together, is sufficient to set up a demand for all the labour seeking employment, must be taken by the State" (p. 135). "That, first and foremost, is what is meant by adopting a policy of full employment."

In order to do this, the State must estimate how much "private citizens may be expected to lay out that year on consumption and private investment," and then undertake "public outlay sufficient, with this estimated private outlay, to employ the whole manpower of the country." This is, so to speak, the policy for each separate year. But Beveridge stresses the need for the State not only to meet accidental or periodical deficiencies in "private outlay"; it must have a "planned outlay on a long-term programme" to meet common needs and "give stability to the economic system." The main contents of the programme he puts forward are familiar: social security; national health service; a nutrition policy, involving bulk purchase of the principal foods and stable prices; what he calls the "socialisation of demand" (that is, State

* *Full Employment in a Free Society* by Sir William Beveridge. (Allen & Unwin, 12/6.)

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orders and wholesaling) for essential commodities, such as coal, clothing and furniture (p. 162); educational development; town and country planning, housing and transport. Such a vast and expanding programme, he argues, is essential to meet the chronic deficiency of demand; it can be stepped up a little to meet a threatening depression, but in principle "public outlay should be looked on as a weapon against giant social evils, not as a gap-filling device to take up the slack of private outlay." (p. 158.)

Beveridge is most careful to say that his proposals are not bound up with nationalisation of industries, which he regards as a separate issue; but everywhere his stress is on the instability and deficiency of employment in an "unplanned market economy," and in showing where his policy differs from that of the Government he has an item "Expansion of the public sector of business, so as to enlarge the area within which investment can be stabilised directly."

His full employment policy, in fact, is very similar to the proposals of the Communist Party, although, avoiding nationalisation proposals, he sees the "expansion of the public sector of business" as taking place in the sphere of wholesale buying and selling rather than in production itself. He sees the need for a National Investment Board "which would plan investment as a whole, using powers of control and loan and taxation policy"; and for the stabilisation of marketing and production of primary commodities by international agreement. In fact, his practical proposals are sound and workable, even if he hesitates to push them far enough. He makes also some useful suggestions in regard to such questions as the mobility of labour and of industry, training, and so on.

Needless to say, *Full Employment in a Free Society* is full of interesting statistics and information, and the conclusions drawn from them are interesting even if not always satisfying. For example, he argues at great length that the first signs of a depression always come in primary production abroad; that the trouble is that the volume of primary production is "singularly irresponsive to changes in price." But he never asks *why* over-production and changes in price occur—a question which would lead him back to his other thesis; that the real trouble is *relative* over-production, in relation to a temporary or chronic deficiency of demand. As Marx says (*Capital*, Vol. III, p. 568): "The last cause of all real crises always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way, that only the absolute power of consumption of the entire society would be their limit." It is a little hard on the primary producers to treat them as the cause of the trouble because they are "singularly irresponsive to changes in price."

In fact, while the practical proposals are good and, if carried through systematically by a Government based on a Labour and progressive majority, could be effective in achieving full employment, the theoretical outlook is confused and timid. Beveridge uses the orthodox capitalist economic approach. He steadfastly avoids the term "capital" and therefore cannot make a clear analysis. Instead of capital, he speaks of "savings" and "investment"; following the mystical phrases of Keynes, he credits people with a greater or less "propensity to consume," "propensity to save," "propensity to invest." The turnover of capital is broken up into these mystical "propensities"; he seems unaware that the "propensity to consume" for the great majority of the people is determined by the circula-

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tion of capital itself; it is the variable capital. Capitalist production is for surplus value, which has first to be realised on the market and then "accumulated," used as new capital, to produce more surplus value. It is the laws of the circulation of capital that contain the key to relative over production and crises; it is no good looking for it in the "propensities" of individuals. Analyses based on such "propensities" are pure mystification, just as the attempt to explain how things worked, by saying that they had a "faculty" to work like that, avoided the whole issue.

Crises and unemployment, in this stage chronic as well as cyclical unemployment, are a product of capitalist production. They can only be eliminated, short of a complete change to Socialism, by the most drastic interference with the normal working of capitalism. It is necessary to be clear on this: the effective measures, which Beveridge proposes, to cure unemployment are not measures to bolster up capitalism, but measures to *interfere with capitalism*, to bring the political power of the people to bear in such a way that capital is unable to follow its own laws, and is *compelled* to serve the people. It is a political issue of controlling capitalism; it is not a question of changing the spots of the leopard or the heart of the monopolist.

Book Reviews

Gerrard Winstanley

Selections from the Works of Gerrard Winstanley edited by Leonard Hamilton, with an Introduction by Christopher Hill (Cresset Press, 7*s*6*d* net).

THE POLITICAL history of the English working people began 300 years ago amidst a people's war in which, after the common object of all the revolutionary forces, the overthrow of absolute monarchy, had been achieved, the young democratic sections were defeated.

"Therefore, you Army of England's Commonwealth, look to it. The enemy could not beat you in the field, but they may be too hard for you by policy in council if you do not stick close to see common freedom established."

"For is not this a common speech among the people, We have parted with our estates, we have lost our friends in the wars, which we willingly gave up, because freedom was promised us, and now in the end we have new taskmasters and our old burdens increased?"

"All men have stood for freedom . . . thou hast given thanks for victories because hopes of freedom; plenty of petimade for freedom; and now the common enemy is gone you are all like men in a mist, seeking for freedom and know not where nor what it is. And those of the richer sort of you are ashamed and afraid to own it because it comes clothed in a clownish garment. . . . For freedom is the man that will turn the world upside down, therefore no wonder he hath enemies."

Thanks to the devoted scholarship of Mr. Hamilton and Mr. Hill, the long-neglected writings of the Diggers' leader are now ours. In his own glorious prose we can read of the communists digging, ploughing, being robbed of their cows and beaten up on St. George's Hill, Cobham; of the fury of Parson Platt and of Mr. Drake ("the old Norman prerogative lord of the manor"); of justice in Kingston and prison in Walton.

But there is far more. Winstanley's supreme work, like that of Milton, arises from defeat. The sections disappointed in the revolution eventually turned back to mysticism, but not before tremendous endeavours to understand the reason of things in God's universe. Winstanley, though much of his thought belongs to the old backward-looking school, can yet point the way forward through democratic communism in a direction which Milton lost. In his *Law of Freedom* (1651)

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he takes up again the great debate opened by the soldiers in Putney church in 1647. Some say true freedom lies in free trade, others in free speech, others in free love, others in freedom for landlords. "All these . . . are freedoms, but they lead to bondage. . . . True freedom lies where a man receives his nourishment and preservation and that is in the use of the earth."

His communist Commonwealth of England (whose lineage is distinct from that of More's anti-democratic Utopia) has parishes and postmasters, adult male suffrage, annual parliaments and local councils. Fundamental are the union between science and religion and between manual and mental labour. "Idle, lazy contemplation the scholars call knowledge" is no knowledge, but every worker, whether herdsman, miner, carpenter or astronomer, must learn the secrets of nature through his own occupation, constant encouragement and high honour must be given to all inventors, "that so in time there will not be any secret in nature which now lies hid (by reason of the iron age of kingly oppressing government) but by some or other will be brought to light, to the beauty of our Commonwealth."

The stream went underground. But many generations later the democratic demands of the Levellers arose again to powerful life in Chartism, whilst Owen (through Bellers) recreated Winstanley's communism. This is our heritage.

DONA TORR.

Tennessee Valley

T.V.A. by David E. Lilienthal (Penguin, 9*d*).

WHEN IN May, 1933, Congress agreed to the creation of the Tennessee Valley Authority for the development of the full resources of the entire river basin covering seven states, it made a decisive break with the past. In the teeth of reactionary opposition, the Federal Government (to meet the need of flood control for the Mississippi) went into business on its own account, T.V.A. being, in the words of Roosevelt: "A Corporation clothed with the power of Government, but possessed of the flexibility and initiative of private enterprise."

It was a battle from the very start, and in this Penguin David E. Lilienthal, Chairman of T.V.A., describes how the fight was waged and won. In a decade 750 million dollars worth of construction work has created a regional power unit of the enormous capacity of 12 milliard Kilowatt hours. And more—as the whole scheme had to be "envisioned in its entirety" here is a fascinating account of the entire gamut of hydro-electric developments, power, metals, chemicals, flood control and navigation, soil conservation and reclamation with the magic phosphates, planned farming and the mass application of electricity to farming—all under the direction of a single authority.

Vivid contrasts are here. Rising living standards for the people and the growth of producers' co-operatives among the highly individualistic southern small farmers and the "years of study and negotiation" to get a contract with the giant American Aluminium Combine to get its already existing Tennessee dams fitting into T.V.A. plans and control and the guiding idea that resultant developing industry in the Tennessee Valley remain on the basis of private enterprise.

Perhaps this accounts for the defensive tone of Mr. Lilienthal's *credo* stated in the last chapters, a curious combination of defending State initiative and yet railing at "centralisation."

Be that as it may, "T.V.A." is a project worthy of serious study for Britain's future. This book will be read with interest by every Scot now that the newly-created North of Scotland Hydro-Electric Board has announced its 20 years' scheme for 102 construction projects to treble Scotland's electricity output by 6,274 million B.O.T. units. Here there is no all-embracing scheme like T.V.A. The Board's job is to produce electricity only and its aim is to take twice as long to produce its much smaller scheme.

J. GOLLAN.

Publications Received

BOOKS

The Theory of Economic Progress by C. E. Ayres (O.U.P., 18*s*6*d*, 318 pp.).

Marshal Tito by Michael Padev (Frederick Muller, 5*s*, 130 pp.).

Money—Its Present and Future by G. D. H. Cole (Cassell & Co., 15*s*, 328 pp.).

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